

HOUSE BILL REPORT

HB 1052

As Reported By House Committee On:

Appropriations

Title: An act relating to the review of nonappropriated funds.

Brief Description: Reviewing nonappropriated funds.

Sponsors: Representatives Horn and Silver.

Brief History:

Committee Activity:

Appropriations: 1/19/95, 2/27/95 [DP].

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass. Signed by 25 members: Representatives Silver, Chairman; Clements, Vice Chairman; Huff, Vice Chairman; Pelesky, Vice Chairman; Sommers, Ranking Minority Member; Beeksma; Brumsickle; Carlson; Chappell; Cooke; Crouse; Dellwo; Hargrove; Hickel; Jacobsen; Lambert; Lisk; Poulsen; Reams; Rust; Sehlin; Sheahan; Talcott; Thibaudeau and Wolfe.

Minority Report: Do not pass. Signed by 3 members: Representatives Valle, Assistant Ranking Minority Member; Basich and G. Fisher.

Staff: Victor Moore (786-7143).

Background: When a fund is created specifically through legislation, the law specifies whether or not expenditures from the fund require legislative appropriation (appropriated vs. nonappropriated). Similarly, the law states whether revenue and expenditure plans are to be submitted to the Office of Financial Management (allotted vs. nonallotted). Currently, there exist over 200 nonappropriated funds. A majority of these funds are nonallotted funds, which require no review or tracking by the Office of Financial Management. The revenue collected into these funds is well in excess of \$16 billion for the 1993-95 biennium.

Summary of Bill: HB 1052 creates a task force on fiscal policy to examine the revenues to and the expenditures from all nonappropriated funds. The task force is directed to explore the fee and charge-setting policies of agencies generating revenues

for these funds, to recommend consistent policies in this area, and to recommend whether certain nonappropriated funds be appropriated.

The task force is composed of nine members: four from the House of Representatives, four from the Senate, and the director of the Office of Financial Management. The task force is effective July 1, 1995. The committee is directed to report its findings and recommendations to the Legislature by December 1, 1995.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Testimony For: There are over \$16 billion in nonappropriated funds. These funds receive little, if any, legislative scrutiny. There needs to be a review of the funds to examine the revenue and expenditure policies currently in place.

Testimony Against: None.

Testified: Representative Jim Horn, prime sponsor; and Bob Edie, University of Washington (neutral).